

- (ii) The Commission, based on evidence within the record, shall render a final decision in any proceeding initiated under this subsection within sixty (60) days after the close of the record except that the Commission, by order, may extend such period when it finds that the complexity of the issues and the length of the record require an extension of such period, in which case the Commission shall render a decision at the earliest date practicable. In no event shall the Commission delay a rendering of a final decision in a complaint proceeding under this subsection beyond the earlier of one hundred twenty (120) days after the close of the record or one hundred eighty (180) days from the filing of the complaint.

## **(2) RESALE**

### **(a) General Requirements**

1. Any Local Exchange Company (LEC) or telecommunications company desiring to purchase or to resell services from another LEC may petition the Commission for the authorization to purchase or resale such services.
2. The LECs petition shall include a description of the services or network features desired to be resold; geographic coverage area(s) in which the service/application is to be accessible or is to provide access, the desired serving address, central office(s) involved and the proposed rate at which the service/application is to be resold.
3. In cases where the purchase or resale of services purchased is authorized by the Commission, the Commission shall determine the specific rates, terms and conditions for the purchase or resale of such LEC services such that no LEC or telecommunications company gains an unfair market position.
4. The Commission, based on evidence within the record, shall render a final decision in any proceeding initiated under this subsection within sixty (60) days after the close of the record except that the Commission, by order, may extend such period when it finds that the complexity of the issues and the length of the record require an extension of such period, in which case the Commission shall render a decision at the earliest date practicable.

In no event shall the Commission delay a rendering of a final decision in such proceeding under this subsection beyond the earlier of one hundred twenty (120) days after the close of the record or one hundred eighty (180) days from the filing of the notice of petition under this subsection. The Commission, at its discretion or upon a petition filed by either party, may modify a ruling rendered under this subsection, provided that a petition for modification may not be filed more than once in any 18 month period.

5. The basic LEC services of Tier 2 LECs may be purchased by competing providers at the tariffed rate, provided such reselling does not result in the loss of intrastate or interstate revenues to the selling company for the individual service being resold. This subsection does not apply to Tier 2 LECs that have switched access rates that are lower than or at parity with the same LEC's interstate switched access rates.

(b) Procedures

1. On or before April 1, 1996 the Commission shall begin a hearing to determine the specific rates, terms, and conditions for resale. Thereafter, the Commission shall annually review the previously established rates, terms and conditions. This review process shall be prescribed by the Commission.
2. The Commission may take or hear evidence on what LEC services shall be available for resale and/or any restrictions which shall be imposed on the resale of such services.

3. The Commission may take evidence on the need for establishment of a wholesale price or discount level applicable, if any, to resold services.
4. The Commission may take evidence on the extent to which cost-effective competitive alternatives are available to the reseller for the existing LEC services that it seeks to resale.
5. The Commission may take evidence on the actual cost incurred by the serving LEC to provide service(s) subject to resale.
6. The Commission shall issue an order which prescribes the specific rates, terms and conditions upon which resale shall occur.
7. All LECs shall file within 30 days of the Commission signed order, revised tariffs which comply with the Commission's decision.

### **(3) UNBUNDLING**

#### **(a) General Requirements**

1. All Certificated Local Exchange Carriers's shall provide for the unbundling of intrastate services on a basis similar to that required by the Federal Communication Commission ("FCC") for services under the FCC's jurisdiction.

#### **(b) Procedures**

1. A LEC requesting the unbundling of a specific network service/application shall provide to the serving LEC a description of the technical and functional characteristics of the requested capability; geographic coverage area(s) in which the service/application is to be accessible or is to provide access; and the desired serving address, central office(s) and NXX(s) involved.
2. Once this obligation has been met, the serving LEC shall provide a written response to the requesting LEC within 30 days as to whether or not the request will be met, or whether and what further information is needed. If further information is required, the requesting Lec shall be able to refuse to provide any information which it considers competitively sensitive.
3. If the request is denied, the serving LEC shall provide a fully documented explanation of its reason.
4. The requesting LEC may petition the Commission for a determination of the merits of the serving LEC's request for additional information, as well as any safeguards to be imposed if the information is disclosed. The requesting LEC may also petition the Commission for review of the merits of any application denied by the serving LEC.

Docket No. 5958-U

(c) Complaint

1. The Commission shall resolve complaints against a LEC regarding a contested request for additional information and/or for a contested denial of service/application submitted.
2. A complaint filed pursuant to this subsection shall be filed by the requesting LEC no earlier than 30 days after the receipt of the initial response from the serving LEC.
3. A complaint filed under this subsection must comply with the requirements of this subsection. Each complaint must include;
  - (i) The names, addresses and telephone numbers of the representatives of the certificated LECs involved.
  - (ii) A definitive list of those issues requiring resolution;
  - (iii) A demonstration by the complaining LEC, based on the specific facts and circumstances, that:
    - (I) the unbundled service/application sought was technically and economically feasible; or
    - (II) any other demonstration that the requested unbundled service/application would be in the public interest.
    - (III) the additional information requested is competitively sensitive or beyond the scope necessary to meet the applicants request.
  - (iv) A certification made by an authorized representative or officer of the complaining LEC that the allegations set forth within the complaint are true and accurate to the best of that individual's knowledge and belief.

- (v) A certification that the complaint was served upon the LEC for which service is sought and is otherwise in compliance with the Commission's service rules.

#### 4. Response to Complaint

- (i) Within fifteen (15) days of the service of a complaint filed pursuant to subsection A.3, the serving LEC involved must file a response admitting or rejecting in whole or in part the allegations contained in the complaint.
- (ii) The responding LEC must provide in its response affirmative demonstrations that the allegations set forth in the complaint are in error, and/or that a finding in favor of the complainant would not serve the public interest.
- (iii) The response must include a certification made by an authorized representative or officer of the responding LEC that the information set forth within the response is true and accurate to the best of that individual's knowledge and belief.
- (iv) The response must also include a certification that the response was served upon the other LEC and is otherwise in compliance with the Commission's service rules.

#### 5. Commission Action

- (i) The Commission may require either party to provide additional information related to the issues raised by the complaint. The Commission may institute reasonable procedures in order to develop the record necessary to resolve the complaint. The Commission shall make every effort to utilize procedures that minimize the imposition of economic and administrative burdens on the parties and the Commission.

Docket No. 5958-U

- (ii) The Commission, based on evidence within the record, shall render a final decision in any proceeding initiated under this subsection within sixty (60) days after the close of the record except that the Commission, by order, may extend such period when it finds that the complexity of the issues and the length of the record require an extension of such period, in which case the Commission shall render a decision at the earliest date practicable. In no event shall the Commission delay a rendering of a final decision in a complaint proceeding under this subsection beyond the earlier of one hundred twenty (120) days after the close of the record or one hundred eighty (180) days from the filing of the complaint.

Authority Ga.L. 1878-79, p. 125; 1907, pp. 72-81; 1922, pp. 142-147, 1964, p. 338, 1965, p. 283, 1973, pp. 677-681, 1975, Sec. 2, pp. 404-412; 195, p. 630, Sec. 2; 1995, pp. 888-900.

★ ★ ★ ★ ★

Docket No. 5958-U



The Commission shall consider the adoption of the foregoing proposed Rule at its Administrative Session to be held at 10:00 a.m. on April 2, 1996 at its offices located at 244 Washington Street, S.W., Atlanta, Georgia 30334.

All interested parties who desire to do so may submit comments, data, views, arguments or any other relevant matters in writing to the Commission concerning the proposed Rule. Such written material must be delivered to the Commission no later than March 6, 1996. The Commission requests that, where possible, comments include specific proposed edits to the Rule.

Any written materials are to be filed with:

Terri M. Lyndall, Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, Georgia 30334-5701

All persons interested in presenting views or arguments orally should present a written request for an oral hearing by March 6, 1996. If by March 6, 1996, twenty-five persons who will be directly affected by the proposed Rule request an oral hearing, or if a government subdivision or an association having not less than twenty-five members requests an oral hearing, then oral comments and remarks will be received by the Commission at its offices at the above address at 10:00 a.m. on March 18, 1996. Otherwise, the Commission shall consider only those written comments filed in accordance with the provisions of this notice.

The authority for adoption of this Rule is found in O.C.G.A. §§ 46-2-20, 46-2-21, 46-2-23, 46-2-30, 46-5-160 et seq. and 46-5-167. Upon request by any interested party either prior to the adoption of the Rule or within thirty days thereafter, pursuant to O.C.G.A. § 50-13-4(a)(2), the Commission shall issue a concise statement of the principal reasons for and against adoption of the Rule and incorporating its reasons for overruling the considerations, if any, urged against its adoption.

**WHEREFORE IT IS ORDERED that:**

A. The Commission hereby issues this Notice of Proposed Rulemaking for consideration of a new proposed Rule concerning Interconnection, Resale and Unbundling pursuant to the Telecommunications and Competition Development Act of 1995.

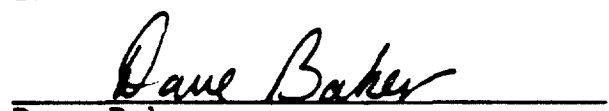
B. This Notice of Proposed Rulemaking shall be published in conformance with the requirements of the Administrative Procedure Act as provided in O.C.G.A. § 50-13-4.

C. Any motion for reconsideration, rehearing or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

D. Jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on the 6th day of February, 1996.

  
Terri M. Lyndall  
Executive Secretary

  
Dave Baker  
Chairman

2/6/96  
Date

2/6/96  
Date

TML/DB/lb

APPENDIX C

BURGESS

LET 6352-U

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COMMISSIONERS

DAVE BAKER, CHAIRMAN  
ROBERT B. (BOBBY) BAKER  
MAC BARBER  
BOB DURDEN  
STAN WISE



WILLIAM J. DOVER  
EXECUTIVE DIRECTOR  
ERRIN M. LYNDALL  
EXECUTIVE SECRETARY  
Ga. Public Service Commission

**Georgia Public Service Commission**

244 WASHINGTON STREET S.W.  
ATLANTA, GEORGIA 30334-5701  
(404) 656-4501 OR 1 (800) 282-5813

**Docket No. 6352-U**

**PROCEDURAL AND SCHEDULING ORDER**

**In re: GPSC Docket No. 6352-U, AT&T Petition for the Commission to Establish Resale Rules, Rates and Terms and Conditions and the Initial Unbundling of Services**

This matter comes before the Georgia Public Service Commission ("Commission") on the Petition of AT&T Communications of the Southern States, Inc. ("AT&T") for the Commission to Establish Resale Rules, Rates and Terms and Conditions and the Initial Unbundling of Services ("Petition"). The Petition filed on December 21, 1995, requested that the Commission (1) establish resale rules, (2) establish the rates, terms and conditions for resale as authorized by The Telecommunications and Competition Development Act of 1995, including the appropriate wholesale rates and the guidelines for required operational interfaces, (3) require the initial unbundling of services and, (4) adopt the Total Wholesale Services tariff for providing wholesale services to resellers as proposed by AT&T.

The following companies filed for leave to intervene: Consumers' Utility Counsel Division on December 29, 1995, MCI Metro Access Transmission Service, Inc. on January 4, 1996, MFS Intelenet of Georgia, Inc. on January 12, 1996, BellSouth Telecommunications, Inc. on January 18, 1996, and Cable Television Association of Georgia on January 12, 1996. These proceedings shall be considered contested cases under O.C.G.A. § 50-13-13.

Pursuant to O.C.G.A. § 46-5-164(e), the Commission shall render a final decision no later than 60 days after the close of the record, except that the Commission may by order extend the period if necessary due to the complexity of the issues and the length of the record. However, in no event shall the Commission delay its final decision beyond the earlier of 120 days after the close of the record or 180 days from the Petition.

### **Issues Raised by AT&T's Petition**

AT&T's Petition specifically requested that the Commission

- (1) Establish resale rules and grant AT&T's authority to resell telecommunications services pursuant thereto as provided at O C G A § 46-5-164(e);
- (2) Establish the appropriate resale rates, including an appropriate discount and the terms and conditions for resale, including guidelines for LEC-equivalent operational interfaces;
- (3) Require the unbundling of operator, directory assistance, repair and directory services pursuant to O C G A. § 46-5-164(g), and
- (4) Adopt the proposed Total Wholesale Services tariff for provision of wholesale services to resellers.

In support of its Petition, AT&T maintains that

- (1) Without appropriate resale rules, rates and terms and conditions, most Georgia consumers will not have access to local competition in any reasonable time frame. The Commission is expressly authorized and required by the Telecommunications and Communications and Competition Development Act to establish the reasonable rates, terms and conditions for the resale of telecommunications services upon the Petition of a party;
- (2) The Commission must adopt guidelines requiring electronic access to databases equivalent to the incumbent's access. AT&T states that a discount is appropriate to compensate the reseller for the added costs it incurs to interface with the incumbent local exchange company and to encourage it to provide the necessary operational interfaces in a timely manner;
- (3) The Commission should begin pursuing the unbundling requirement provided for under the Act. AT&T submits that the most fundamental features which consumers consider an integral part of their basic local exchange service include operator services, directory assistance and routing of 611 repair costs; and
- (4) In order to expedite the establishment of rules, rates, term and conditions for resale, AT&T requests that the Commission implement the rules in accordance with the provisions of its Wholesale Services tariff which reflect the exclusion of the identifiable costs associated with an applicable retail functions and activities.

### **Schedule**

The Commission hereby sets the following schedule in Docket No 6352-U

#### **March 4-8, 1996**

At 10 00 a m. on March 4, the Commission will convene hearings on AT&T's direct case. The Commission will begin by receiving testimony of public witnesses pursuant to O.C.G.A. § 46-2-59(g).

#### **March 22, 1996**

Intervenors file testimony and exhibits by 4 00 p m. in the Executive Secretary's office.

#### **April 1-4, 1996**

Hearings resume beginning at 10 00 a m. in order for the Commission to receive live direct testimony from Intervenors as well as rebuttal testimony, if any, from AT&T.

#### **April 12, 1996**

Briefs must be filed by 4 00 p m. in the Executive Secretary's office.

#### **May 7, 1996**

A final decision in this docket is scheduled for the Commission's Administrative Session on May 7, 1996.

**WHEREFORE IT IS ORDERED** that the procedures and schedule contained within this Procedural and Scheduling Order are hereby adopted by this Commission.

**ORDERED FURTHER**, that a motion for reconsideration, rehearing or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

**ORDERED FURTHER**, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on the 6th day of February;  
1996

  
Terri M Lyndall

Executive Secretary

2/6/96  
Date

  
Dave Baker  
Chairman

2/6/96  
Date

# APPENDIX D

## MEMORANDUM

DATE: May 9, 1996

TO: All Commissioners  
B.B. Knowles

FROM: David L. Burgess, Director, Rates and Tariffs ~~6/23~~

IN RE: **Docket No. 6352-U, Petition of AT&T for the Commission to Establish  
Resale Rules, Rates, Terms and Conditions and the Initial Unbundling  
Services**

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Please find attached the Staff's recommendation in this case. A summary of all pertinent issues are presented outlining each parties position on the individual issue. If you have any questions regarding this matter please do not hesitate to contact me.

**DOCKET NO. 6352-U**  
**AT&T's Petition to Establish Resale**  
**Rules, Rates, Terms and Conditions**

**SUMMARY OF ISSUES:**

**Issue #1:**                    **What retail services should be made available for resale?**

<u><b>PARTY</b></u>	<u><b>POSITION</b></u>
AT&T	All existing retail services and new services as they are available.
BELLSOUTH	All existing services except current offerings which are grandfathered.
MFS	All services provided at retail to non-telecommunications carrier. (Federal Act standard)
SPRINT	All services provided at retail to non-telecommunications carriers. (Federal Act standard)
MCI	All services provided at retail to non-telecommunications carriers. This includes any discounted retail service, discounted package, or promotional offering.
ATA	All retail services should be made available for resale.
COMPTEL	All services provided at retail to non-telecommunications carriers. (Federal Act standard)
STAFF	All existing retail services sold to non-telecommunications providers except those services which are presently grandfathered. This includes any discounted retail service, discounted package, and new service offerings as they become available. Promotions are not included because they are not tariffed offerings.



**Issue #2:**                    **What restrictions should be placed on services resold?**

**PARTY**

**POSITION**

**AT&T**                            **Class restriction for one-party residence flat rate service only.  
Joint marketing of interLATA services with resold local services.**

**BELLSOUTH**                    **Class restriction for all services where a rate differential exist.  
Joint marketing of interLATA services with resold local services.**

**MFS**                            **Class restriction contained in the Georgia Act and the Federal Act.**

**SPRINT**                        **Restrict resale between classes until local rates are rebalanced to  
eliminate the differential between business and residential customers.**

**MCI**                            **Class restriction contained in the Federal Act.**

**ATA**                            **Class of service restrictions.**

**CUC**                            **Adopt restrictions on resale contained in the Georgia Act and the  
Federal Act.**

**COMPTEL**                    **State Commission may permit incumbent LEC to limit a reseller's  
ability to resell a service that is available only to one category of  
customers to that same category of customers.**

**STAFF**                        **Commission shall impose class of service restriction on the resale of  
all retail service offerings. In addition the Commission shall adopt  
the interLATA joint marketing restriction contained in the Federal Act.**

**Issue #3:**                    **Should a separate wholesale tariff be established?**

**PARTY**

**POSITION**

**AT&T**                                **Separate tariff should be established containing rules, service descriptions, and price. 90 day advance notice on new offerings and 30 day advance notice on promotions.**

**BELLSOUTH**                    **Separate tariff or separate section of existing retail tariff containing rates, terms and conditions. Existing 30 day notice on new offerings and promotions.**

**MFS**                                **No position taken in brief filed.**

**SPRINT**                            **No position taken in brief filed.**

**MCI**                                **No position taken in brief filed.**

**ATA**                                **Separate tariff should be established.**

**CUC**                                **No position taken in brief filed.**

**COMPTEL**                        **Commission should establish separate wholesale tariff.**

**STAFF**                            **Within 30 days of the issuance of a Order in this docket the Commission shall require BellSouth to file a separate wholesale tariff containing the rates, terms and conditions for all services provided. This initial filing as well as proposed revisions will be subject to Commission approval. All proposed revisions to this tariff shall comply with the existing 30 day filing requirement. BellSouth shall also continue to comply with the existing provision in its' General Subscriber Service Tariff which requires a 30 day notice to the Commission of all promotional offerings.**

**Issue #4:**                    **What appropriate cost methodology should the Commission adopt for the establishment of wholesale rates?**

<b><u>PARTY</u></b>	<b><u>POSITION</u></b>
<b>AT&amp;T</b>	<b>Federal Act standard of avoided cost. Avoided cost determined using embedded cost. Additional discount should be established for interface inefficiencies.</b>
<b>BELLSOUTH</b>	<b>Federal Act standard of avoided cost. Avoided cost determined using embedded cost. No additional discount should be for operational interfaces. Separate discount rates for residential and business.</b>
<b>MFS</b>	<b>Federal Act standard applying "net" avoided cost. Avoided cost determined using embedded cost. Wholesale rates established service by service. Discount should reflect a 1.5% differential between residential and business class.</b>
<b>SPRINT</b>	<b>Federal Act standard applying "net" avoided cost. Avoided cost determined using TSLRIC. Wholesale rates established by class and service by service. No discount for interface inefficiencies.</b>
<b>MCI</b>	<b>Federal Act standard of avoided cost. Avoided cost determined using embedded. Any "net" avoided cost should be recovered in service mark up.</b>
<b>ATA</b>	<b>Federal Act standard of calculating avoided cost should reflect the BellSouth employee downsizing and other cost cutting measures taken by the Company. Additional discounts should be established for interface inefficiencies and long term agreements.</b>
<b>CUC</b>	<b>Federal Act standard applying "net" avoided cost. Avoided cost should be determined using embedded cost. Commission should establish a ceiling and floor wholesale discount.</b>
<b>COMPTEL</b>	<b>Federal Act standard calculating avoided cost.</b>
<b>STAFF</b>	<b>Federal Act standard using avoided cost. Initially, avoided cost shall be determined using embedded cost. Separate discount for residential and business class. The discount shall apply equally to all services in BellSouth wholesale tariff. There shall be no additional discount for interface inefficiencies. Negotiated agreements may reflect additional discounts for longer terms.</b>

**Issue #5:**                    **What is the appropriate discount level for wholesale rates?**

**PARTY**

**POSITION**

AT&T	Overall discount 38.3%. AT&T cost study reflect 28.3% discount. Additional 10% discount for interface inefficiencies.
BELLSOUTH	BellSouth cost study reflects 11% discount for residential services and a 9.5% discount applicable for business services.
MFS	MFS has not conducted its own study. Deep discounts will discourage the beneficial development of facilities-based competition. BellSouth's estimate of avoided cost are more consistent with the underlying principles of the Federal Act.
SPRINT	Sprint has not conducted its own study. Without conducting such a study the Company does not know the appropriate resale rate.
MCI	MCI has not conducted its own study. The Company believes the 38.3% discount proposed by AT&T is consistent with the Federal Act.
ATA	ATA has not conducted its own study. The Company supports the 38.3% discount proposed by AT&T.
CUC	Floor level discount should be 11% for residential services and 9.5% for business services. The ceiling discount level should be 20% as ordered by the Illinois Commerce Commission. These level shall remain in effect for a interim two year period.
COMPTEL	COMPTEL has not conducted its own study. The association supports AT&T recommended 38.3% discount level.
STAFF	<b>17.1% discount shall apply to residential services. A 14.5% discount shall apply to business services. These discounts shall apply to recurring, non-recurring and intrastate toll retail offerings. The Commission shall monitor these initial discounts to insure that effective competition evolves in the local service market. (calculations supporting Staff's recommended discount level are included in the next attachment)</b>

## **CALCULATIONS SUPPORTING STAFF'S RECOMMENDED DISCOUNT LEVEL**

The Staff recommended discount level was calculated utilizing the Avoided Cost Discount Model proposed by BellSouth witness Frank R. Kolb. The basis equation contained in Mr. Kolb's model is reflected below:

$$\% \text{ DISCOUNT} = \frac{\text{COST AVOIDED AS A RESULT OF RESALE}}{\text{REVENUE FROM RESOLD SERVICES}} \times 100$$

The Staff made adjustments to the avoided cost calculated by Mr. Kolb to reflect additional avoided cost for advertising, call completion services, number services and an assignment of indirect cost associated with the direct cost allocation contained in BellSouth's calculations. The numerical information utilized to make these adjustments were derived from Staff data request submitted in the context of the public hearing regarding this matter.

The first adjustment the Staff made to BellSouth's avoided cost calculation is to recognize avoided expenses associated with advertising. The Company did not include any advertising expense in their calculations. Staff has included in its calculation avoided advertising expenses of \$10,715,620. This represents 61% of the total advertising dollars included in the BellSouth's 1995 Georgia Operations. The 61% allocation factor was determined by reviewing the percentage of Sales Expense that were deemed avoidable by BellSouth witness Kolb. The BellSouth cost study reflected this same factor for direct cost allocated to Sales Expense. The Staff believes that it is reasonable to assume that there is a direct correlation between Sales and Product Advertising.

Several parties in this docket indicated their intention to utilize their existing operators to provide local operator and call completion services (i.e., 0+, 0-, Directory assistance). BellSouth did not include any expenses related to Call Completion and Number Services which are expense categories directly related to the provision of operator services. Staff has included \$3,031,565 in its calculation as avoided Call Completion expenses. This represent 25% of the total Call Completion expense incurred by the Company for 1995. Similarly, the Staff has included \$8,281,083 in its calculation as avoided Number Services expenses. This represents 25% of the total Number Service Expense incurred by BellSouth. The Staff believes that a 25% allocator represents a reasonable initial assignment of avoidable expenses and it may possibly grow as competitors call completion traffic increases utilizing their own operators.

The final adjustment the Staff made to the BellSouth cost study relates to the assignment of indirect cost which will be avoided. The expenses identified in the Company's calculations all related to directly assignable cost. BellSouth did not reflect any indirect cost such as General Support and Corporate Operations Expense in its study. The total avoidable expense included in the Company's study is \$137,126,370 (all of which relate to directly assignable cost). The total avoidable expense included in the Staff's calculations is \$159,154,638. The Staff believes it is reasonable to reflect a level of indirect avoidable expense associated with the direct avoidable expense previously identified and calculated. Staff review of previous cost studies submitted by BellSouth to the Commission reflect a range for indirect cost as a percentage of total cost to be 30% to 50%. The Staff has utilized an allocator of 35% to calculate the indirect cost associated with its directly assignable cost determination. This yields an additional avoidable expense of \$55,704,123. The total avoidable expense calculated by the Staff is \$214,858,761.

The Staff utilized the same total revenues from resold services as contained in the BellSouth study. The study contains residential revenues in the amount of \$653,955,846 and business revenues of \$709,781,717. The total revenues contained in the study are \$1,363,737,563. BellSouth's study reflect that 52% of its total calculated avoided expense is attributable to residential services and 48% to business services. The Staff utilized these same percentages in calculating its separate residential and business wholesale discounts. The Staff's recommended discount are calculated below:

$$\text{RESIDENTIAL DISCOUNT} = \frac{\$111,726,556}{\$653,955,846} \times 100 = 17.1\%$$

$$\text{BUSINESS DISCOUNT} = \frac{\$103,132,205}{\$709,781,717} \times 100 = 14.5\%$$

**Issue #6**

**What appropriate operational interfaces should be established between BellSouth and resellers? What type access and medium should be provided for these interfaces?**

**PARTY**

**POSITION**

**AT&T**

**BellSouth should establish real-time electronic interfaces for pre-service ordering, service ordering and provisioning, directory listing and line information databases, service trouble reporting and daily usage data.**

**BELLSOUTH**

**BellSouth plans to provide interfaces for each of the five operational interface categories. It is BellSouth's position that direct access and electronic procedures are not required today in order to provide comparable service to a reseller's end user.**

**MFS**

**Access to operational systems is being addressed by industry forums. The standards for "electronic bonding" are being considered by the Electronic Communications Implementation Committee. The Commission should leave resolution of these issues to the industry.**

**SPRINT**

**The following network elements should be unbundled and made available: access to pre-ordering systems; access to service ordering/provisioning systems; database access to allow resellers access to their customers' information in LEC databases; access to service trouble reporting systems; and daily local usage data. The prices for these elements should be based on TSLRIC plus a reasonable contribution.**

**MCI**

**Online electronic access to pre-service ordering; service ordering/initiation system; daily usage data on a line specific basis; real time monitoring systems.**

**ATA**

**Electronic access to databases equivalent to the incumbents access. Electronic service provisioning. Paper provisioning would result in disruptions in service.**

**CUC**

**The Commission should require the incumbent LEC and the reseller to share equally all of the cost involved in establishing operational interfaces requested by the new entrant.**

**STAFF**

**BellSouth shall provide real-time electronic interfaces for pre-service ordering, service ordering and provisioning, directory listing and line information databases, service trouble reporting and daily usage data. These interfaces shall provide access to resellers which is equivalent to that of the Incumbent LEC. BellSouth and AT&T shall submit a joint report to the Commission within 30 days after a Commission Order is issued in this docket which will update the activities and implementation time frames necessary to deploy these interfaces. Access to these interfaces shall be made available to any requesting party at the same terms and conditions.**

**Issue #7****How should telephone directories be maintained and distributed?****PARTY****POSITION****AT&T**

BellSouth should be required to include basic white page listings for reseller residential and business customers as well as basic yellow page listings for business customers. Additional or enhanced listings should be made available to the reseller at the same rates, terms and conditions as available to BellSouth customers. BellSouth must make directory listing data available for purchase so that the reseller can package and brand its own white and yellow page directories. Reseller should be afforded the opportunity to place local customer service information in BellSouth's directories.

**BELLSOUTH**

For all aspects of directory matters other than insertion of regular listings in the white pages, arrangements will be made with BellSouth directory affiliate, BellSouth Advertising and Publishing Corp. BellSouth supports the inclusion of new entrants' customers listings in its directories. There would initially be no charge to new entrants for such arrangements as long as they provide the info in a format compatible with BellSouth's system. Directory Publishers Database Service will make this product available to a reseller who chooses to provide its' own directories. Plans are being developed to include at no charge, information regarding customer service and repair contact numbers for all local service providers who wish to have their information included.

MFS, SPRINT, MCI, ATA, COMPTTEL, CUC: No position taken.

**BAPCO**

(BellSouth Advertising & Publishing Company) The Commission need take no action with respect to AT&T's request for access to directories. Any such requirement will be fulfilled by BAPCO's service agent to BellSouth. The provision of call guide information for AT&T will be handled by direct arrangements between AT&T and BAPCO. BAPCO will include basic call guide information in its white pages for all local exchange carriers. The Commission is without jurisdiction and authority to require BAPCO to include basic listings for AT&T's customers in BAPCO yellow pages. However, AT&T can secure such listing by contracting with BAPCO.

**STAFF**

BellSouth shall include white page listing for all new entrants customers' in its directory. All other directory arrangements should be made with BellSouth's service agent BAPCO. BellSouth's service agent has indicated an express willingness to provide the additional directory arrangements requested by AT&T.



**Issue #8**

**Should the Commission require the unbundling of operator services, directory assistance, and repair service?**

**PARTY**

**POSITION**

**AT&T**

AT&T has requested the ability to purchase from BellSouth "branded" operator services (including directory assistance, 0+, 0-toll dialing, busy line verification and interrupt). Alternatively the Company requests that BellSouth be ordered to provide selective routing arrangements that will enable an AT&T customer to reach an AT&T operator platform just as a BellSouth customer can reach a BellSouth operator today (i.e., through dialing 0 or 611, etc.).

**BELLSOUTH**

BellSouth stands ready to unbundle any network elements required by telecommunications carriers where technically feasible. Embedded cost should be utilized in determining the cost of an unbundled network element. There is simply no evidence upon which the Commission can enter an order directing the unbundling of BellSouth's network at any specific price.

**MFS**

AT&T's request for the unbundling of directory assistance, 0+, 0-toll assistance, busy line verification and emergency interrupt services is consistent with the Telecommunications Act of 1996. LECs should be required to provide these services to competitive entrants.

**SPRINT**

Incumbent LECs should offer resellers a mechanism for custom branding resold services. Custom branding for resellers is a service that resellers should pay for. Some branding request may not be technically possible. The Commission should avoid imposing a requirement on LECs if they cannot reasonably comply.

**MCI, CUC, COMPTEL**      No position taken in brief filed.

**ATA**                      No position taken in testimony presented.

**STAFF**

The record in this case lacks credible evidence to grant or deny AT&T's request for the unbundling of operator services or selective routing capabilities. Specific issues regarding technical limitations, cost incurred, and cost recovery mechanisms were not adequately addressed. AT&T and BellSouth are directed to submit to the Commission, within 30 days of a signed Order, a joint report which addresses a resolution of these issues. If the parties do not reach a resolution of these outstanding issues, each party should reflect their positions and factual evidence which supports same in the body of the report. Absent a resolution, this report shall be used as a primary basis for a Commission decision in granting or denying AT&T's unbundling request.